



# TRANSPORT AFFORDABILITY INDEX



Australian  
Automobile  
Association



**SGS**  
Economics  
& Planning

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## Foreword

# Transport Affordability Index: June 2019

The second quarter of 2019 saw transport costs increase. Costs had stabilised in the first quarter, following large increases in 2018, but now they have resumed their rise, largely because of higher fuel prices.

In the June quarter, national average household total weekly transport costs were about \$326, up from \$317 in the previous quarter. This was a rise of about 2.8 per cent—well above the rate of general inflation.

Indeed, from 1 July 2018 to 30 June 2019, metropolitan transport costs rose at about 1.8 times the rate of general inflation. Regional cost increases were even more dramatic—2.5 times greater than the consumer price index (CPI).

Over that period, the CPI increased by 1.6 per cent, but annual transport costs for a typical metropolitan Australian household rose from \$18,046 to \$18,576—a jump of 2.9 per cent. The typical regional household spends \$15,040 per year on transport—up from \$14,466—over the course of the year, a jump of almost 4 per cent.

The cumulative effect of continued high transport costs is a heavy burden at a time when Australians are feeling cost of living pressures across the board.

Transport is a significant and unavoidable cost to households. Governments at all levels must consider these cost pressures when formulating policy.



**Michael Bradley**

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Managing Director  
Australian Automobile Association





## Section One

# Summary of results

## Household total weekly transport costs

**In the June quarter, transport costs rose for the benchmark capital city and regional households.**

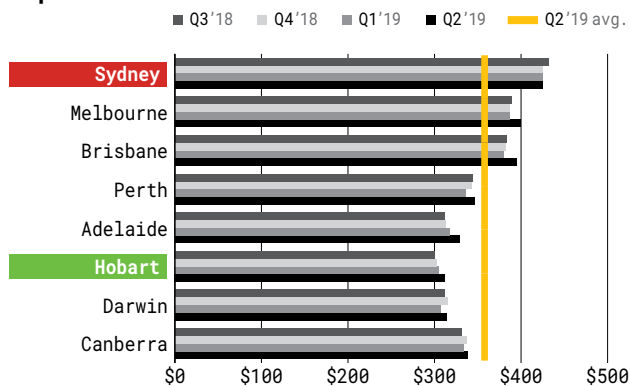
**Capital cities** The average total weekly transport cost for benchmark capital city households was \$357 compared with \$349 in the previous quarter.

Sydney remained the most expensive capital city with total transport costs, even though it was the only city where costs didn't rise, Sydney costs remained at about \$425 per week. Hobart remained the least expensive capital with weekly costs of \$312 (up from \$305 in the previous quarter).

**Regional** The average weekly transport expenditure for households in the benchmark regional centres is \$289 per week—up from \$280 in the previous quarter.

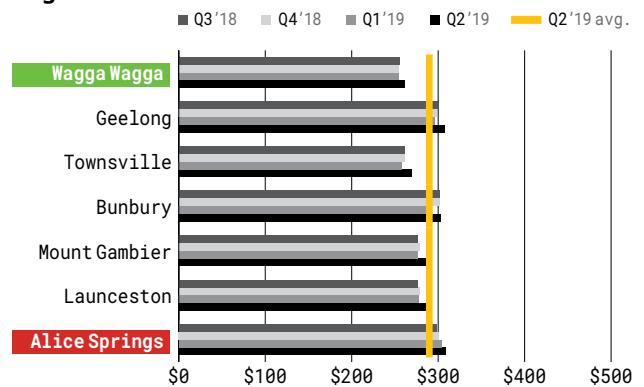
Among regional centres, Alice Springs has the highest total weekly transport costs, at \$309 per week, up from \$304 the previous quarter. Wagga Wagga remained the least expensive at \$262 per week, up from \$254 in the March quarter.

### Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$431.64	\$425.17	\$425.10	\$424.51	1
Melbourne	\$388.64	\$386.84	\$387.34	\$399.75	2
Brisbane	\$383.31	\$381.63	\$380.28	\$394.78	3
Perth	\$343.50	\$342.90	\$336.09	\$346.11	4
Adelaide	\$311.71	\$313.13	\$317.40	\$328.72	6
Hobart	\$300.50	\$302.83	\$305.20	\$312.01	8
Darwin	\$311.90	\$314.94	\$307.20	\$314.19	7
Canberra	\$331.63	\$336.79	\$333.25	\$337.85	5
<b>Capital avg.</b>	<b>\$350.35</b>	<b>\$350.53</b>	<b>\$348.98</b>	<b>\$357.24</b>	

### Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$255.33	\$254.17	\$254.09	\$261.50	7
Geelong	\$299.94	\$298.81	\$295.68	\$307.29	2
Townsville	\$261.12	\$261.13	\$258.14	\$269.85	6
Bunbury	\$302.21	\$301.32	\$292.81	\$303.48	3
Mount Gambier	\$276.62	\$278.76	\$276.71	\$287.25	4
Launceston	\$276.48	\$278.42	\$278.01	\$286.12	5
Alice Springs	\$297.78	\$300.84	\$304.10	\$309.17	1
<b>Regional avg.</b>	<b>\$281.35</b>	<b>\$281.92</b>	<b>\$279.93</b>	<b>\$289.24</b>	

## Section One

### Household total annual transport costs

In the June quarter, the typical Australian city household's average annualised cost of transport increased by \$429. This notional household would spend \$18,576 a year on transport if the June quarter costs held constant.

The greatest increases in transport costs were recorded in Brisbane and Melbourne—equivalent to \$754 and \$645 per year, respectively. Sydney recorded a slight decrease in transport costs—largely because public transport costs fell—with the typical household saving \$31 per year compared to the previous quarter.

The average annual cost of transport for the typical regional household increased by \$484. The typical regional household would spend \$15,040 per annum on transport if the June quarter costs held constant. The greatest increase among the benchmark regions was recorded in Townsville, where transport costs increased by \$609 per year compared to the previous quarter.

Fuel excise, registration, CTP and licensing alone cost the average two-car family about \$2,661 per annum for city households and \$2,608 per annum for the regional households. However, there are other motoring taxes and charges that the Index does not seek to analyse.

In most of the benchmark regions, residents typically drive further than their capital city counterparts, so they pay more in total on fuel excise. The exceptions are Wagga Wagga and Townsville; residents in these centres typically drive less than their state capital counterparts.

But other motoring taxes for regional residents vary across states. In NSW, Victoria and South Australia, regional households pay less for registration and CTP. But in Queensland, WA, Tasmania and the NT regional drivers pay the same state levies as city drivers. If people in those states' regional centres have higher fuel consumption they will pay more on motoring taxes than their city counterparts.



#### Capital cities

City	2019 Q1	2019 Q2	Change	Rank
Sydney	\$22,105.10	\$22,074.60	-\$30.50	1
Melbourne	\$20,141.72	\$20,786.81	\$645.09	2
Brisbane	\$19,774.71	\$20,528.42	\$753.71	3
Perth	\$17,476.63	\$17,997.48	\$520.85	4
Adelaide	\$16,504.80	\$17,093.39	\$588.59	6
Hobart	\$15,870.38	\$16,224.73	\$354.35	8
Darwin	\$15,974.39	\$16,338.09	\$363.70	7
Canberra	\$17,329.22	\$17,568.42	\$239.20	5
<b>Capital avg.</b>	<b>\$18,147.12</b>	<b>\$18,576.49</b>	<b>\$429.37</b>	

Average taxes	2019 Q1	2019 Q2	Change
Fuel excise	\$1,094.08	\$1,094.08	
Registration, CTP and licensing	\$1,588.10 (\$1,634.48)*	\$1,566.44 (\$1,612.82)*	
<b>Household total</b>	<b>\$2,682.18</b> (\$2,728.56)*	<b>\$2,660.52</b> (\$2,706.90)*	<b>-\$21.66</b>

\* The figures bracketed in the table above show the fees and charges that would apply in the absence of the Toll Relief Scheme in NSW.

#### Regional

City	2019 Q1	2019 Q2	Change	Rank
Wagga Wagga	\$13,212.46	\$13,598.06	\$385.60	7
Geelong	\$15,375.16	\$15,979.32	\$604.16	2
Townsville	\$13,423.02	\$14,032.06	\$609.04	6
Bunbury	\$15,226.16	\$15,781.00	\$554.85	3
Mount Gambier	\$14,388.78	\$14,936.91	\$548.13	4 
Launceston	\$14,456.53	\$14,878.39	\$421.86	5 
Alice Springs	\$15,813.30	\$16,076.60	\$263.30	1
<b>Regional avg.</b>	<b>\$14,556.49</b>	<b>\$15,040.34</b>	<b>\$483.85</b>	

Average taxes	2019 Q1	2019 Q2	Change
Fuel excise	\$1,147.46	\$1,147.46	
Registration, CTP and licensing	\$1,472.09	\$1,460.48	
<b>Household total</b>	<b>\$2,619.55</b>	<b>\$2,607.95</b>	<b>-\$11.61</b>



## Section One

### Household average weekly expenses

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Overall, there was a marginal increase in household average weekly transport expenses.

The increase in transport costs over the quarter was driven by changes in two cost categories:

- **Car loan payments**—the average upfront purchasing costs of new vehicles increased over the quarter. This was mainly because Toyota increased the price of its Hilux and Mazda removed the baseline Mazda 3 Neo Sport from sale, replacing it with the more expensive G20 Pure.
- **Fuel**—prices rose in all capital cities and regions

Costs in four categories decreased over the quarter:

- **Public transport**—public transport costs fell in Sydney
- **Registration, CTP and licensing**—CTP premiums for the new car declined in NSW
- **Car maintenance**—due to a price revision of fixed price servicing
- **Insurance**—due to a price revision of comprehensive insurance premiums

Costs for tolls and roadside assist remained constant in the June 2019 quarter.

The ranking of average expenses for the typical city and regional families remained the same over the quarter. Car loan payments remain the largest expense in the families' transport budgets. Roadside assistance and insurance are the smallest transport expenses.

There are a few notable differences between capital city and regional transport costs:

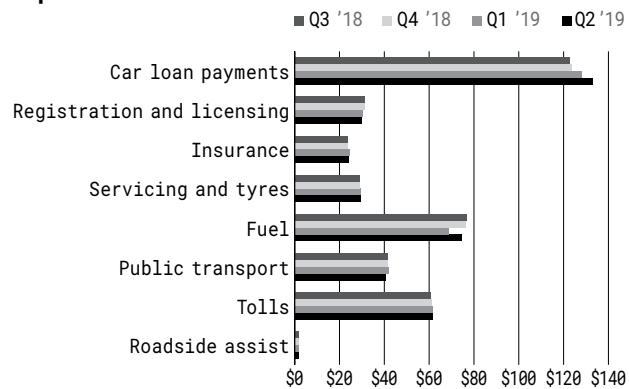
- Households in most regions spend more on fuel because they drive more and generally face higher fuel prices than their city counterparts.
- Most states offer lower comprehensive premiums on new and used cars in regional areas compared to capital cities. This is not the case in the Northern Territory where metropolitan and regional premiums are the same.
- In South Australia, registration and CTP costs are \$334 cheaper in regional areas. In Victoria, CTP insurance premiums remained \$108 cheaper for the regional household. Sydney vehicle owners are eligible for free vehicle registration costs under the state's Toll Relief Scheme, but regional households must pay for registration.
- In all other jurisdictions, registration and CTP costs are the same for city and regional families.
- Regional households don't incur tolls.
- Because many regional areas lack public transport, the Index assumes regional households don't use public transport.

The Index assumes that city and regional households have the same costs for purchasing and financing a new car and for roadside assistance. Because city and regional households drive similar cars, the same assumptions about fuel efficiency and fuel mix are applied.



## Section One

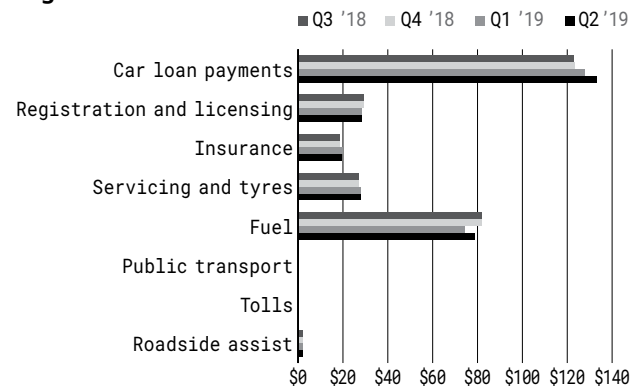
### Capital cities



Expenses	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$122.92	\$123.76	\$127.94	\$132.97	1
Registration, CTP and licensing	\$31.17	\$31.13	\$30.54	\$30.12	5
Insurance	\$23.68	\$23.60	\$24.63	\$24.11	7
Servicing and tyres	\$28.95	\$29.07	\$29.55	\$29.44	6
Fuel	\$77.00	\$76.26	\$68.99	\$74.62	2
Public transport	\$41.77	\$41.77	\$42.22	\$40.87	4
Tolls	\$60.83	\$61.06	\$61.53	\$61.53	3
Roadside assist	\$2.04	\$2.04	\$2.04	\$2.04	8

NOTE: The toll figure is averaged only across the three cities where tolls are charged. All other expenses are averaged across all capital cities.

### Regional



Expenses	Q3	Q4	Q1	Q2	Rank
Car loan payments	122.86	123.40	127.67	132.93	1
Registration, CTP and licensing	29.05	29.01	28.31	28.09	3
Insurance	18.52	18.51	19.80	19.61	5
Servicing and tyres	27.03	27.16	27.86	27.81	4
Fuel	81.87	81.82	74.26	78.76	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	2.02	2.02	2.02	2.02	6

## Section One

### Affordability: transport costs as share of income

The relationship between a region's typical income and typical costs determines local purchasing power—or affordability. Measuring transport costs as a share of income determines local affordability; the higher the percentage of income, the lower the affordability.

For example, in total dollar terms Hobart has the lowest total transport costs, while Sydney has the highest. But when this cost is measured as a share of typical household income, Hobart—not Sydney—is the Australian city with the least affordable transport costs.

Nationally, the average cost of transport as a percentage of income for the typical household increased from 13.5 per cent to 14 per cent.

For the typical Australian capital city household, the average cost of transport increased from 14.3 per cent of average income to 14.7 per cent.

Regional household transport costs increased from 12.6 per cent of average income to 13.2 per cent.

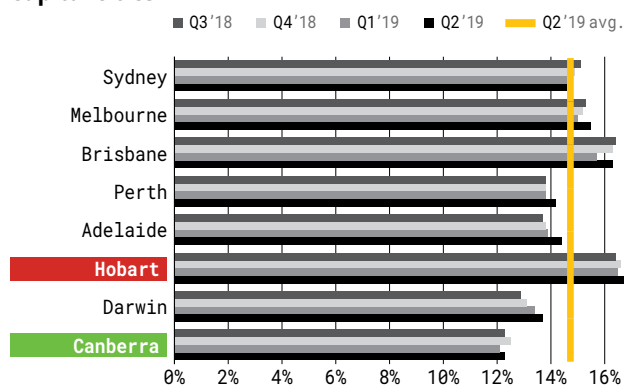
Among the capital cities, Brisbane recorded the largest increase—0.6 per cent more than the previous quarter.

Across Australia, regional households earn about \$213 per week less than their city counterparts (based on ABS data).

But the difference is more pronounced in NSW and South Australia—households in Wagga Wagga and Mount Gambier earn considerably less per week than their city counterparts, about \$255 and \$242 per week less on average.

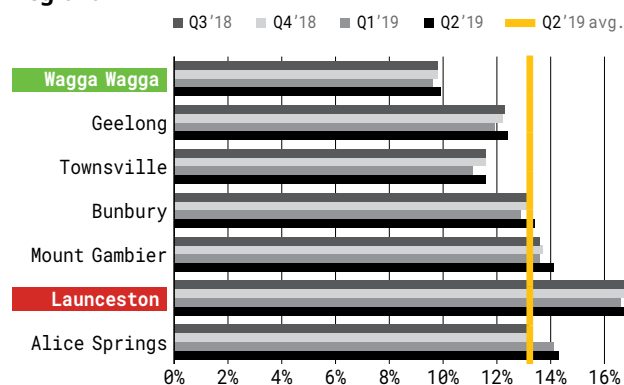
The affordability rankings of cities and regions remain unchanged from the previous quarter.

#### Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	15.1	14.9	14.6	14.6	4
Melbourne	15.3	15.2	15.0	15.5	3
Brisbane	16.4	16.3	15.7	16.3	2
Perth	13.8	13.8	13.8	14.2	6
Adelaide	13.7	13.8	13.9	14.4	5
Hobart	16.4	16.6	16.5	16.9	1
Darwin	12.9	13.1	13.4	13.7	7
Canberra	12.3	12.5	12.1	12.3	8
Capital avg.	14.4	14.4	14.3	14.7	

#### Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	9.8	9.8	9.6	9.9	7
Geelong	12.3	12.2	11.9	12.4	5
Townsville	11.6	11.6	11.1	11.6	6
Bunbury	13.1	13.1	12.9	13.4	4
Mount Gambier	13.6	13.7	13.6	14.1	3
Launceston	16.7	16.8	16.6	17.1	1
Alice Springs	13.2	13.3	14.1	14.3	2
Regional avg.	12.7	12.7	12.6	13.2	







## Section Two

### Household weekly car loan payment costs

The upfront cost of purchasing a new car increased on average for the typical city household by about \$1,132. This was mainly because of significant price rises for the Toyota Hilux and the removal from sale of the baseline Mazda 3 Neo Sport which was replaced by the more expensive G20 Pure.

As a result, the average cost of car loan payments increased by about \$5.14 per week or \$262 per annum.

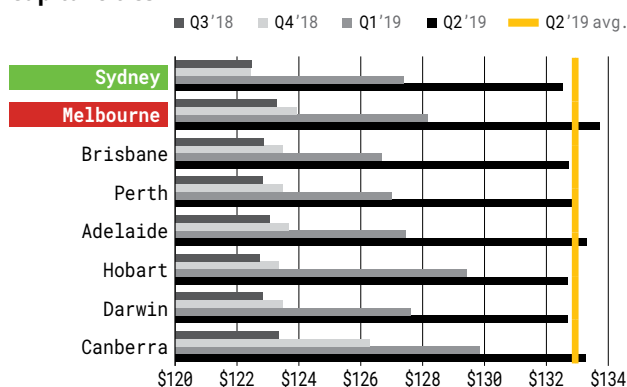
In the June 2019 quarter, Sydney became the cheapest capital city to take out a loan for a new car. Up-front purchasing prices for new cars rose in Sydney, but not as much as in other capitals.

Melbourne became the most expensive capital city for car loan payments, but Adelaide recorded the highest increase in these payments because upfront purchasing costs rose more than in the other cities.

Regional households incurred the same costs in this category as their capital city counterparts because it is assumed that interest rates and new car purchases costs are the same in regional and capital city locations.

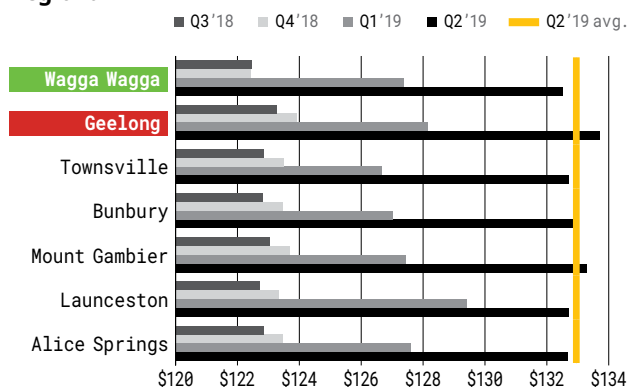
The rankings in this category changed considerably.

#### Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$122.48	\$122.43	\$127.37	\$132.51	8
Melbourne	\$123.29	\$123.92	\$128.17	\$133.72	1
Brisbane	\$122.85	\$123.49	\$126.67	\$132.72	5
Perth	\$122.83	\$123.46	\$127.01	\$132.88	4
Adelaide	\$123.04	\$123.68	\$127.44	\$133.31	2
Hobart	\$122.72	\$123.35	\$129.43	\$132.70	6
Darwin	\$122.84	\$123.48	\$127.62	\$132.69	7
Canberra	\$123.33	\$126.30	\$129.83	\$133.26	3
<b>Capital avg.</b>	<b>\$122.92</b>	<b>\$123.76</b>	<b>\$127.94</b>	<b>\$132.97</b>	

#### Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$122.48	\$122.43	\$127.37	\$132.51	7
Geelong	\$123.29	\$123.92	\$128.17	\$133.72	1
Townsville	\$122.85	\$123.49	\$126.67	\$132.72	4
Bunbury	\$122.83	\$123.46	\$127.01	\$132.88	3
Mount Gambier	\$123.04	\$123.68	\$127.44	\$133.31	2
Launceston	\$122.72	\$123.35	\$129.43	\$132.70	5
Alice Springs	\$122.84	\$123.48	\$127.62	\$132.69	6
<b>Regional avg.</b>	<b>\$122.86</b>	<b>\$123.40</b>	<b>\$127.67</b>	<b>\$132.93</b>	

## Section Two

### Household weekly vehicle registration, CTP and driver's licence costs

CTP premiums fell in New South Wales and rose slightly in Western Australia.

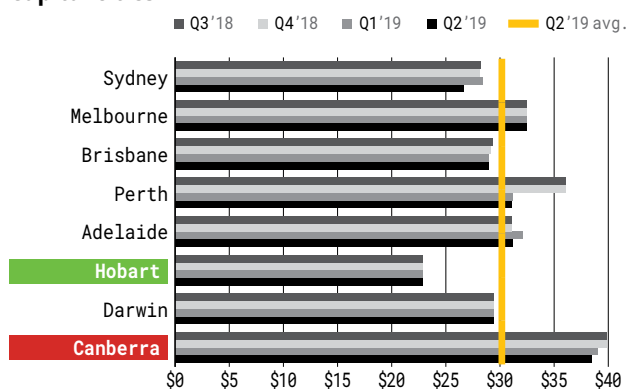
Canberra was the most expensive capital city for registration, CTP and licensing (\$38.49 a week)<sup>1</sup>, while Hobart was the least expensive (\$22.90 a week). When the June quarter figures are annualised, the typical Hobart household spends \$810 less per year than the typical Canberra household.

Bunbury remained the most expensive regional town in this cost category (\$31.07 a week), while Launceston remained the least expensive (\$22.90 a week). The annualised difference in this cost category between Bunbury and Launceston is \$425.

Registration and CTP costs are cheaper for regional households in South Australia and Victoria because state government policies impose different regional and metropolitan pricing structures.

The NSW Toll Relief Scheme means the typical Sydney household pays less for vehicle registration than the typical Wagga Wagga household.

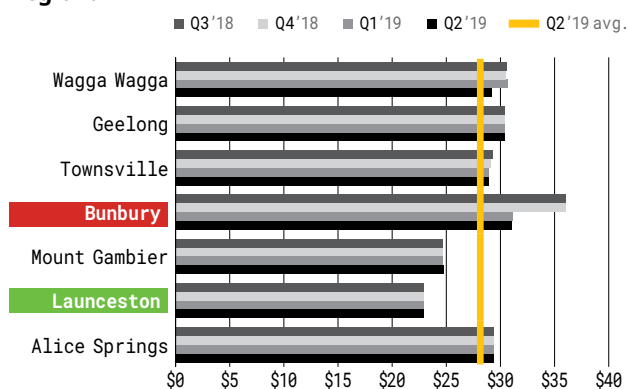
#### Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$28.24 (\$35.25)	\$28.14 (\$35.16)	\$28.39 (\$35.53)	\$26.60 (\$33.73)	7 (2)*
Melbourne	\$32.44	\$32.44	\$32.44	\$32.44	2
Brisbane	\$29.34	\$29.11	\$28.92	\$28.92	6
Perth	\$36.06	\$36.06	\$31.15	\$31.07	4
Adelaide	\$31.09	\$31.09	\$32.09	\$31.15	3
Hobart	\$22.90	\$22.90	\$22.90	\$22.90	8
Darwin	\$29.42	\$29.42	\$29.42	\$29.42	5
Canberra	\$39.84	\$39.84	\$39.01	\$38.49	1
<b>Capital avg.</b>	<b>\$31.17</b>	<b>\$31.13</b>	<b>\$30.54</b>	<b>\$30.12</b>	

\* The figures bracketed in the table above show registration, CTP and licensing costs and rankings in the absence of the Toll Relief Scheme in NSW.

#### Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$30.59	\$30.52	\$30.73	\$29.18	4 ↓
Geelong	\$30.37	\$30.37	\$30.37	\$30.37	2 ↑
Townsville	\$29.34	\$29.11	\$28.92	\$28.92	5
Bunbury	\$36.06	\$36.06	\$31.15	\$31.07	1
Mount Gambier	\$24.67	\$24.67	\$24.67	\$24.74	6
Launceston	\$22.90	\$22.90	\$22.90	\$22.90	7
Alice Springs	\$29.42	\$29.42	\$29.42	\$29.42	3 ↑
<b>Regional avg.</b>	<b>\$29.05</b>	<b>\$29.01</b>	<b>\$28.31</b>	<b>\$28.09</b>	



## Section Two

### Household weekly comprehensive insurance costs

In the June quarter, the weekly cost of comprehensive insurance for both the benchmark new and used vehicles decreased slightly for the typical Australian city household.

Melbourne remained the most expensive city for comprehensive insurance (\$33.52 a week); Perth remained the cheapest (\$15.63 a week). When costs are annualised, the typical Perth household spends about \$930 per year less on comprehensive insurance than its Melbourne counterpart.

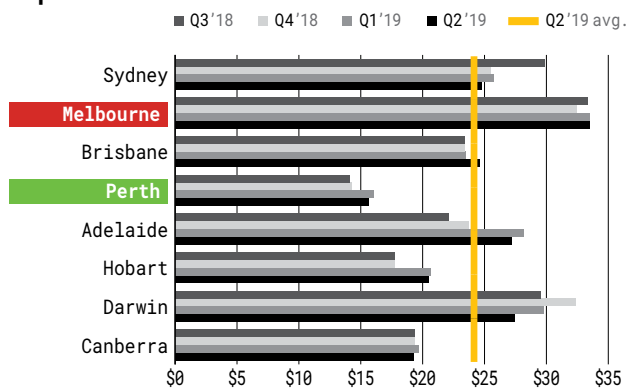
The typical Australian regional households incurred lower costs for comprehensive insurance compared to their

capital city counterparts because of lower premiums, except in the Northern Territory where insurance costs are the same for regional and city locations.

The largest difference between the capital city and regional counterparts was in Victoria. The typical Geelong family spends about \$12.44 a week (or \$647 a year) less on comprehensive insurance costs than the typical Melbourne family.

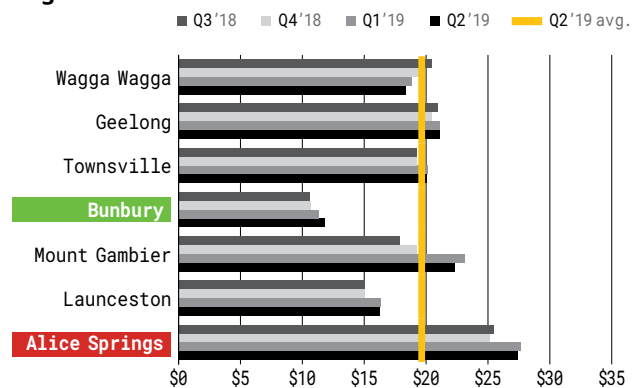
Alice Springs remained the most expensive region for comprehensive insurance, while Bunbury was the cheapest.

#### Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$29.87	\$25.51	\$25.70	\$24.76	4
Melbourne	\$33.30	\$32.48	\$33.52	\$33.52	1
Brisbane	\$23.38	\$23.38	\$23.51	\$24.60	5
Perth	\$14.14	\$14.25	\$16.04	\$15.63	8
Adelaide	\$22.10	\$23.75	\$28.15	\$27.23	3
Hobart	\$17.75	\$17.75	\$20.62	\$20.45	6
Darwin	\$29.57	\$32.37	\$29.80	\$27.44	2
Canberra	\$19.37	\$19.32	\$19.67	\$19.24	7
Capital avg.	\$23.68	\$23.60	\$24.63	\$24.11	

#### Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$20.45	\$19.72	\$18.89	\$18.39	5
Geelong	\$20.97	\$20.44	\$21.08	\$21.08	3
Townsville	\$19.23	\$19.23	\$20.16	\$20.03	4
Bunbury	\$10.61	\$10.68	\$11.33	\$11.80	7
Mount Gambier	\$17.85	\$19.29	\$23.12	\$22.33	2
Launceston	\$15.05	\$15.05	\$16.32	\$16.23	6
Alice Springs	\$25.48	\$25.16	\$27.70	\$27.44	1
Regional avg.	\$18.52	\$18.51	\$19.80	\$19.61	

## Section Two

### Household total weekly servicing and tyre costs

The cost of servicing and tyres decreased marginally over the June quarter for both the typical capital city and regional households. The cost of maintaining the benchmark new and used car decreased in all jurisdictions except Adelaide and Canberra which increased slightly.

Overall, the cost of maintaining the new and used car remained highest in Canberra (\$38.27 a week) and lowest in Adelaide (\$23.89 a week). The annualised cost difference for the typical households in Canberra and Adelaide is \$748.

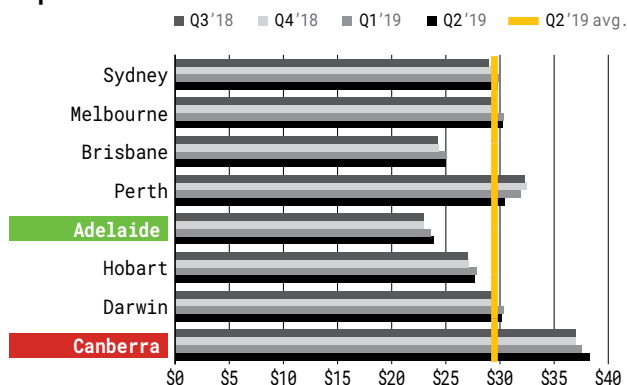
Among the regional locations, the cost of maintaining both the new and used car remained most expensive in Alice Springs (\$33.29 a week) and cheapest in Launceston (\$22.43 a week). The annualised difference between the Alice Springs and Launceston households' costs is \$565.

The cost of servicing the new car is the same across both regional and city locations, as these costs are based on the manufacturers' servicing schedule.

The difference between regional and city households is attributable to differences in the cost of servicing the old car and the cost of tyres.

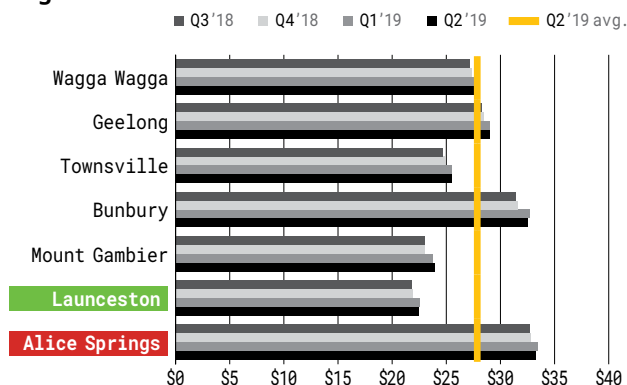
Costs associated with the older car, and tyres for both cars, are based on data from the ABS Household Expenditure Survey (HES)<sup>2</sup> and indexed in line with the CPI maintenance and repair of motor vehicles.<sup>3</sup>

#### Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$28.99	\$29.20	\$29.84	\$29.80	5
Melbourne	\$29.59	\$29.72	\$30.29	\$30.27	3
Brisbane	\$24.20	\$24.36	\$25.04	\$25.01	7
Perth	\$32.30	\$32.49	\$31.86	\$30.42	2
Adelaide	\$22.92	\$22.97	\$23.64	\$23.89	8
Hobart	\$27.02	\$27.08	\$27.82	\$27.70	6
Darwin	\$29.59	\$29.73	\$30.34	\$30.15	4
Canberra	\$37.01	\$37.01	\$37.57	\$38.27	1
Capital avg.	\$28.95	\$29.07	\$29.55	\$29.44	

#### Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$27.19	\$27.37	\$28.01	\$27.95	4
Geelong	\$28.33	\$28.46	\$29.03	\$29.00	3
Townsville	\$24.67	\$24.83	\$25.52	\$25.50	5
Bunbury	\$31.44	\$31.62	\$32.69	\$32.55	2
Mount Gambier	\$23.01	\$23.06	\$23.74	\$23.98	6
Launceston	\$21.83	\$21.88	\$22.58	\$22.43	7
Alice Springs	\$32.71	\$32.86	\$33.47	\$33.29	1
Regional avg.	\$27.03	\$27.16	\$27.86	\$27.81	

## Section Two

### Household weekly fuel costs

The cost of fuel increased across the country in the June quarter. The average Australian capital city price of regular unleaded petrol rose 12.1 cents per litre from 134.7 cents per litre to 146.8 cents per litre. If fuel prices remained at that level, fuel expenditure for the typical city household would increase by about \$293 per year.

Hobart remained the capital city with the highest fuel prices and fuel expenditure. Its average petrol price was 153.2 cents per litre in the June 2019 quarter, up 8.3 cents per litre from the previous quarter.

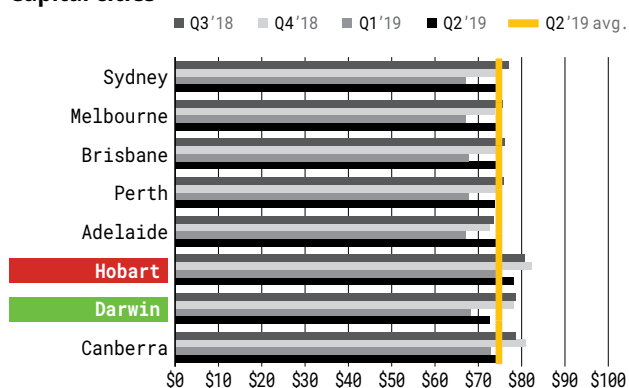
Fuel prices rose everywhere. But Darwin's rises were less than in most other centres; in the June quarter Darwin was the capital with the cheapest fuel prices. Its average price for unleaded petrol was 142.9 cents per litre in the quarter, up 9.8 cents per litre from the March 2019 quarter.

The typical Hobart household spent \$78.11 a week on fuel in the June 2019 quarter—up \$3.84 from the preceding quarter. If Hobart had the same prices as the cheapest city, Darwin, its typical household would save \$5.51 per week (or \$287 a year).

Regional households generally spend more on fuel as they drive further on average than their capital city counterparts. The exceptions are Wagga Wagga and Townsville, as people in these centres drive fewer total kilometres than their state counterparts.

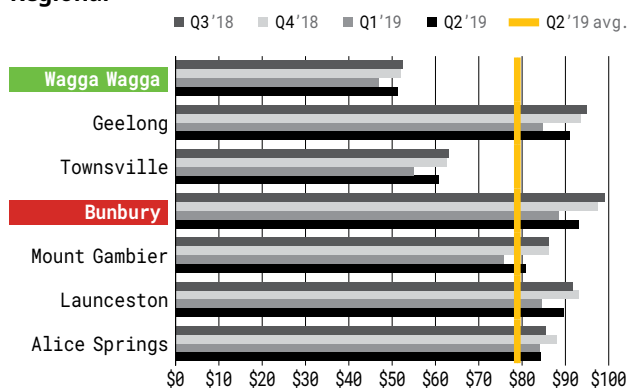
Regional households also generally pay more per litre for fuel, but in the June 2019 quarter, prices between regional and capital city locations varied. Averaged across the regions, the cost of regular unleaded petrol rose by 9.6 cents a litre from 138.2 cents per litre to 147.7 cents per litre.

#### Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$76.91	\$74.25	\$67.15	\$75.05	3
Melbourne	\$75.71	\$73.76	\$67.00	\$73.88	6
Brisbane	\$76.12	\$73.88	\$67.73	\$75.12	2
Perth	\$75.79	\$74.26	\$67.65	\$73.73	7
Adelaide	\$73.63	\$72.71	\$67.13	\$74.20	5
Hobart	\$80.75	\$82.39	\$74.27	\$78.11	1
Darwin	\$78.57	\$78.04	\$68.12	\$72.60	8
Canberra	\$78.56	\$80.81	\$72.86	\$74.28	4
Capital avg.	\$77.00	\$76.26	\$68.99	\$74.62	

#### Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$52.51	\$52.01	\$46.96	\$51.35	7
Geelong	\$94.87	\$93.50	\$84.91	\$91.01	2
Townsville	\$63.16	\$62.60	\$54.99	\$60.81	6
Bunbury	\$99.19	\$97.42	\$88.55	\$93.10	1
Mount Gambier	\$86.11	\$86.12	\$75.80	\$80.95	5
Launceston	\$91.81	\$93.08	\$84.63	\$89.70	3
Alice Springs	\$85.43	\$88.02	\$84.00	\$84.43	4
Regional avg.	\$81.87	\$81.82	\$74.26	\$78.76	

## Section Two

The typical household in Alice Springs household continued to have Australia's highest fuel prices - 159.7 cents per litre. Mount Gambier had the cheapest regional petrol prices at 139.4 cents per litre, despite an increase of 9.1 cents per litre from the March 2019 quarter.

The typical household in Bunbury continued to have the highest fuel expenditure among the benchmark centres at \$93.10 per week or \$4,841 per year because Bunbury residents tend to drive longer distances than people in the other benchmark centres.

Wagga Wagga continued to have the lowest fuel expenditure among the benchmark centres at \$51.35 per week or \$2,670 per year because its residents typically drive less than people in the other benchmark centres.

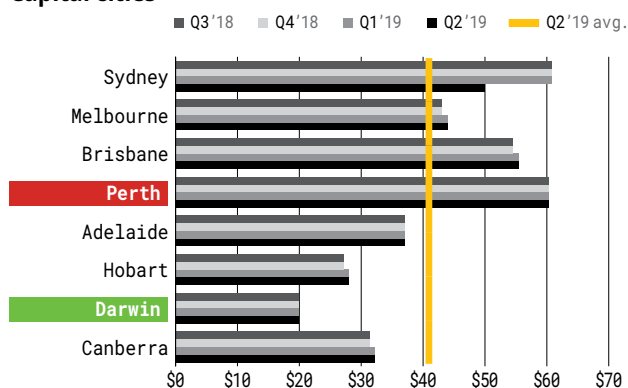
## Household weekly public transport costs

In the June quarter, the cost of public transport remained unchanged, except in Sydney. The cost of a single ticket increased by 1.9 per cent due to inflation indexing, but the weekly travel cap reduced from \$63.20 to \$50 due to an election commitment. These changes—which occurred from 24 June—ultimately mean that the typical Sydney family's weekly public transport costs decreased considerably from \$61 to \$50 despite the rise in public transport fares.

The fall in Sydney public transport costs made it Australia's third-most expensive city in this category, and made Perth and Brisbane the most expensive and second-most expensive capitals. Darwin remained the least expensive. The typical Darwin household spends about \$2,096 per year less on public transport costs than its equivalent in Perth.

The Index assumes the regional households do not incur public transport costs as the locations analysed lack reliable services and have low usage rates.

### Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$60.84	\$60.84	\$60.84	\$50.00	3
Melbourne	\$43.00	\$43.00	\$44.00	\$44.00	4
Brisbane	\$54.45	\$54.45	\$55.44	\$55.44	2
Perth	\$60.30	\$60.30	\$60.30	\$60.30	1
Adelaide	\$37.00	\$37.00	\$37.00	\$37.00	5
Hobart	\$27.20	\$27.20	\$28.00	\$28.00	7
Darwin	\$20.00	\$20.00	\$20.00	\$20.00	8
Canberra	\$31.40	\$31.40	\$32.20	\$32.20	6
Capital avg.	\$41.77	\$41.77	\$42.22	\$40.87	

## Section Two

### Household weekly costs of toll roads

Only three Australian cities—Sydney, Melbourne and Brisbane—use toll roads. The cost of toll roads remained unchanged across these cities for the typical city households.

The typical Sydney household continues to incur the greatest costs for toll road usage, while the typical household in Melbourne still had the lowest toll costs among these three cities. The typical Melbourne household spends about \$34 per week or \$1,762 per year less on tolls than the typical Sydney household.

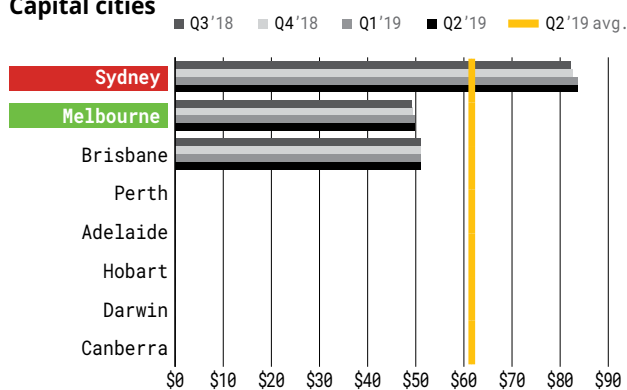
The ranking of the three cities' toll costs remained unchanged over the quarter.

In Sydney, the Index assumes that one member of the family uses toll roads only two days per week to travel to the CBD because toll costs are high and alternate routes are available.

The Index assumes one member of the benchmark household uses toll roads every weekday in Melbourne and Brisbane.

The Index assumes that the regional households do not incur regular toll costs as there are no toll roads in these regions.

#### Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$82.20	\$82.68	\$83.68	\$83.68	1
Melbourne	\$49.20	\$49.40	\$49.80	\$49.80	3
Brisbane	\$51.10	\$51.10	\$51.10	\$51.10	2
Perth	-	-	-	-	-
Adelaide	-	-	-	-	-
Hobart	-	-	-	-	-
Darwin	-	-	-	-	-
Canberra	-	-	-	-	-
Capital avg.	\$60.83	\$61.06	\$61.53	\$61.53	



## Section Two

### Household weekly costs of roadside assistance

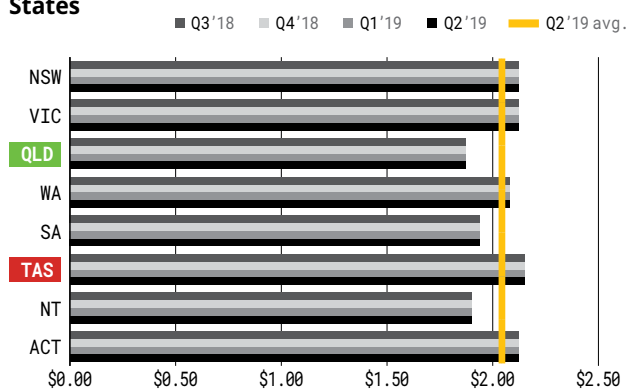
Roadside assistance costs remained constant in all jurisdictions in the June 2019 quarter.

The differences between states are not large. Tasmania has the highest ongoing roadside assistance costs at \$112 per year, while Queensland has the lowest at \$97 per year.

Roadside assistance costs are based on state and Northern Territory motoring clubs' basic or standard packages, but services included in these packages vary from club to club.

The Index assumes that the regional households face the same costs as their capital city counterparts, as roadside assistance providers offer standard state-wide pricing.

#### States



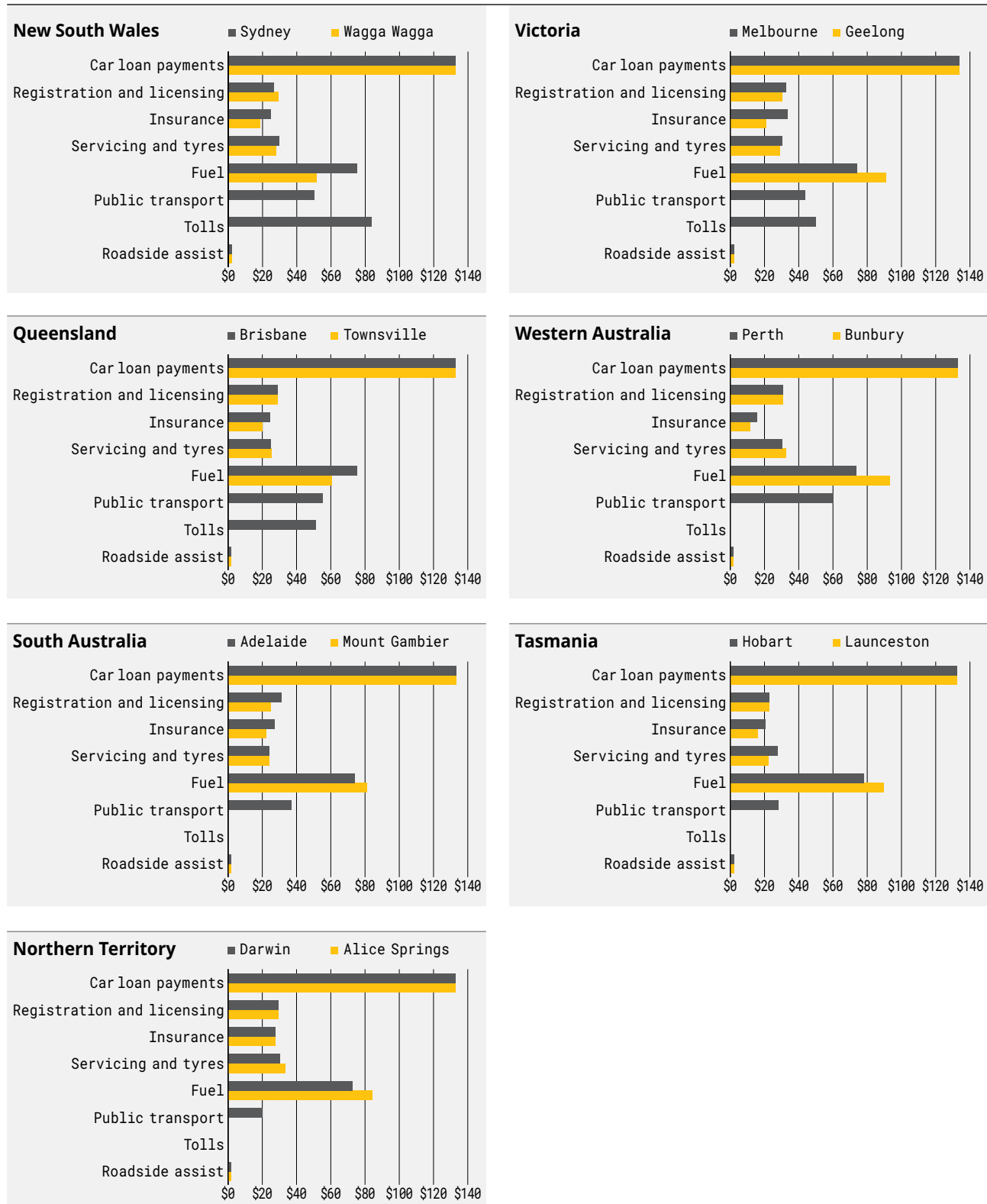
State	Q3	Q4	Q1	Q2	Rank
NSW	\$2.12	\$2.12	\$2.12	\$2.12	2
VIC	\$2.12	\$2.12	\$2.12	\$2.12	2
QLD	\$1.87	\$1.87	\$1.87	\$1.87	8
WA	\$2.08	\$2.08	\$2.08	\$2.08	5
SA	\$1.94	\$1.94	\$1.94	\$1.94	6
TAS	\$2.15	\$2.15	\$2.15	\$2.15	1
NT	\$1.90	\$1.90	\$1.90	\$1.90	7
ACT	\$2.12	\$2.12	\$2.12	\$2.12	2
National avg.	\$2.04	\$2.04	\$2.04	\$2.04	



## Section Three

# State by state comparison

## Capital city vs regional comparison by state



## Section Three

### New South Wales weekly costs of transport

**Sydney** transport costs fell slightly, but the city still had Australia's highest transport costs. In the June quarter, the typical Sydney household spent \$424.51 a week (equivalent to \$22,075 a year) on transport (down 61 cents a week or almost \$31 a year from the previous quarter). But transport costs as a percentage of average income remained roughly the same as the previous quarter—about 14.6 per cent. Under this metric, Sydney is the fourth-least affordable city for transport.

The fall in Sydney's transport costs was largely because public transport costs fell. Single-fare prices rose slightly because of indexing for inflation, but the weekly fare cap decreased from \$63.20 to \$50 a week when the state government met an election commitment. The typical Sydney household saved \$10.84 a week in public transport costs compared to the previous quarter, equivalent to \$564 per year.

Sydney's average comprehensive insurance premiums decreased by \$49 per year. Servicing and tyre costs also decreased marginally. Fuel expenditure increased in the June 2019 quarter by \$7.90 a week (or \$411 per annum, assuming prices remained constant). Car loan costs also increased by \$5.14 a week (or \$267 per year).

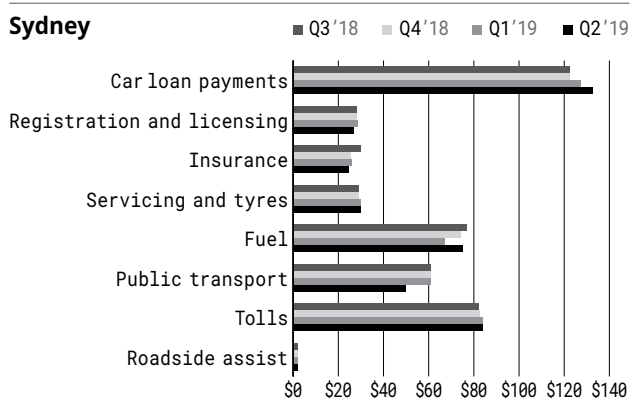
**Wagga Wagga** was the regional benchmark location with the June quarter's lowest transport costs—both in total cost (\$261.50 a week or \$13,598 a year) and in terms of the local income-to-cost ratio (9.9 per cent compared to 9.6 per cent the previous quarter).

Transport costs increased over the June quarter by about \$7.41 a week (equivalent to almost \$386 a year), driven by rises in car loan payments and fuel prices. Car loan payments rose in line with Sydney and fuel expenditure rose by \$228 per year.

The typical Wagga Wagga household incurs lower fuel costs than its Sydney counterpart as BITRE data suggests that the family travels less than the city household. The Wagga Wagga family also payed relatively less for unleaded petrol prices in the June quarter—2.3 cents per litre less compared to its city counterpart.

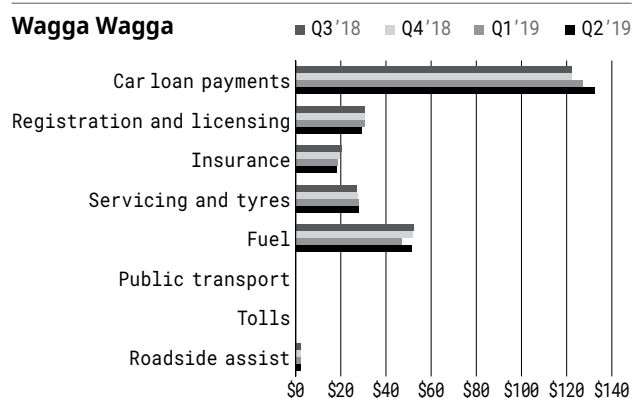
CTP premiums fell and comprehensive insurance costs fell over the quarter by 50 cents a week (equivalent to \$26 per annum). Servicing and tyre costs also decreased marginally.

The Index assumes that limited options mean the Wagga Wagga household incurs no public transport costs.



Sydney	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$122.48	\$122.43	\$127.37	\$132.51	1
Reg. and licensing	\$28.24 (\$35.25)	\$28.14 (\$35.16)	\$28.39 (\$35.53)	\$26.60 (\$33.73)	6 (5)*
Insurance	\$29.87	\$25.51	\$25.70	\$24.76	7
Servicing and tyres	\$28.99	\$29.20	\$29.84	\$29.80	5
Fuel	\$76.91	\$74.25	\$67.15	\$75.05	3
Public transport	\$60.84	\$60.84	\$60.84	\$50.00	4
Tolls	\$82.20	\$82.68	\$83.68	\$83.68	2
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12	8
<b>Total</b>	<b>\$431.64</b>	<b>\$425.17</b>	<b>\$425.10</b>	<b>\$424.51</b>	

\* The figures bracketed in the table above show the costs and rankings that would apply to the Sydney household in the absence of the Toll Relief Scheme.



Wagga Wagga	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$122.48	\$122.43	\$127.37	\$132.51	1
Reg. and licensing	\$30.59	\$30.52	\$30.73	\$29.18	3
Insurance	\$20.45	\$19.72	\$18.89	\$18.39	5
Servicing and tyres	\$27.19	\$27.37	\$28.01	\$27.95	4
Fuel	\$52.51	\$52.01	\$46.96	\$51.35	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12	6
<b>Total</b>	<b>\$255.33</b>	<b>\$254.17</b>	<b>\$254.09</b>	<b>\$261.50</b>	

## Section Three

### Victoria weekly costs of transport

**Melbourne** remained Australia's second most expensive city for transport. Total costs and costs as a percentage of average income rose in the June quarter. The typical household spends \$20,787 a year on transport—an increase of \$12.41 a week (or \$645 a year) from the previous quarter. Transport costs as a percentage of average income increased from 15 per cent to 15.5 per cent over the quarter. Melbourne is the third least affordable city under the income metric.

The increase in transport costs over the quarter are mainly attributable to car loan payments and fuel. Car loan payments increased by \$5.55 per week or \$288 per annum and fuel expenditure increased by about \$6.88 per week or \$358 per annum, assuming costs remain constant. The cost of servicing and tyres decreased marginally. All other costs remain unchanged.

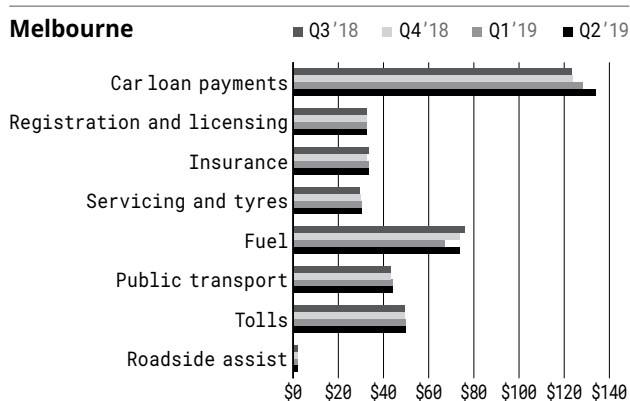
Melbourne remained the most expensive city in Australia for comprehensive insurance.

**Geelong** With yearly transport costs of \$15,979, Geelong remained the regional centre with the second-highest transport costs. But when transport costs are considered as a percentage of average income (12.4 per cent compared to 11.9 per cent in the previous quarter), Geelong remained the third-most affordable region for transport.

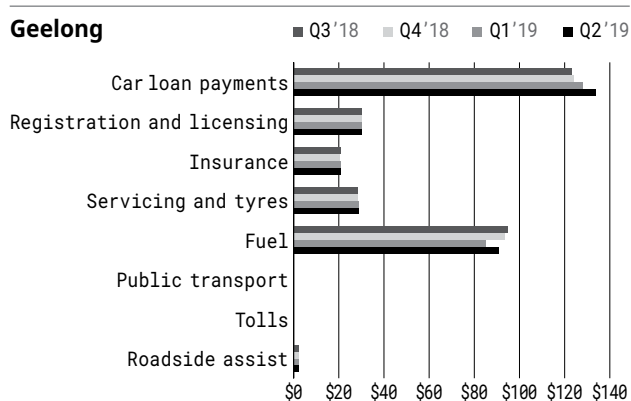
Weekly transport costs rose by \$11.61 (equivalent to \$604 a year), mostly because of higher costs for car loan payments and fuel. Car loan payments increased in line with Melbourne, while fuel expenditure increased by \$6.10 per week or \$317 per year.

In the June quarter, Geelong had average unleaded petrol prices of 142.6 cents per litre—cheaper than all capital cities, including Melbourne. While its petrol prices are moderate, compared to other regional centres, fuel expenditure was the second-highest among all benchmark centres as many Geelong drivers commute to Melbourne.

The cost of servicing and tyres also decreased marginally in the June quarter. All other costs remained unchanged.



Melbourne	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$123.29	\$123.92	\$128.17	1
Reg. and licensing	\$32.44	\$32.44	\$32.44	6
Insurance	\$33.30	\$32.48	\$33.52	5
Servicing and tyres	\$29.59	\$29.72	\$30.29	7
Fuel	\$75.71	\$73.76	\$67.00	2
Public transport	\$43.00	\$43.00	\$44.00	4
Tolls	\$49.20	\$49.40	\$49.80	3
Roadside assist	\$2.12	\$2.12	\$2.12	8
<b>Total</b>	<b>\$388.64</b>	<b>\$386.84</b>	<b>\$387.34</b>	<b>\$399.75</b>



Geelong	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$123.29	\$123.92	\$128.17	1
Reg. and licensing	\$30.37	\$30.37	\$30.37	3
Insurance	\$20.97	\$20.44	\$21.08	5
Servicing and tyres	\$28.33	\$28.46	\$29.03	4
Fuel	\$94.87	\$93.50	\$84.91	2
Public transport	-	-	-	-
Tolls	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.12	6
<b>Total</b>	<b>\$299.94</b>	<b>\$298.81</b>	<b>\$295.68</b>	<b>\$307.29</b>

## Section Three

### Queensland weekly costs of transport

**Brisbane** In the June quarter, the typical Brisbane household had weekly transport costs of \$394.78 (or \$20,528 a year), giving it Australia's third-highest transport costs. Transport costs as a percentage of average income were 16.3 per cent compared to 15.7 per cent the previous quarter, making Brisbane the second-least affordable city.

Transport costs increased by \$14.50 a week (or \$754 a year)—more than any other centre analysed by the index—largely due to higher costs for car loans and fuel. The typical Brisbane household spends about \$6.05 per week more on car loans compared to the previous quarter (equivalent to \$314 per year). Fuel expenditure also rose by about \$7.39 per week, equivalent to \$384 a year if fuel prices remain constant.

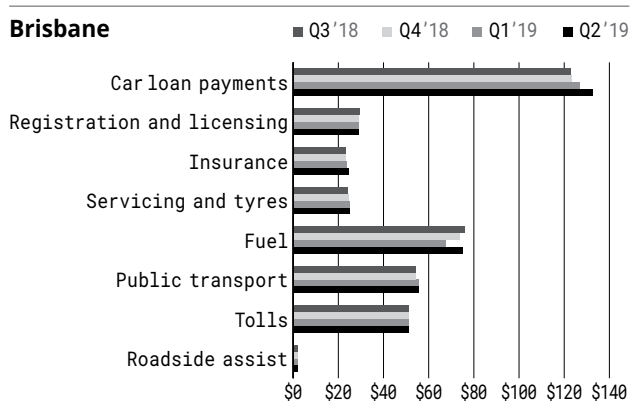
Comprehensive insurance rose by about \$57 per year. Costs for servicing and tyres decreased slightly, while all other costs remained constant. Brisbane's public transport costs and fuel prices are now the second-highest among Australian capital cities. Its tolls are the second-most expensive among the three cities with toll roads. Brisbane ranked between fourth and eighth place in all other cost categories.

**Townsville** In the June quarter, the typical Townsville household's transport costs rose by \$11.71 a week to reach \$269.85 a week (or \$14,032 a year). This is considerably less than its Brisbane counterpart. BITRE data suggests that Townsville residents travel slightly less than people in Brisbane.

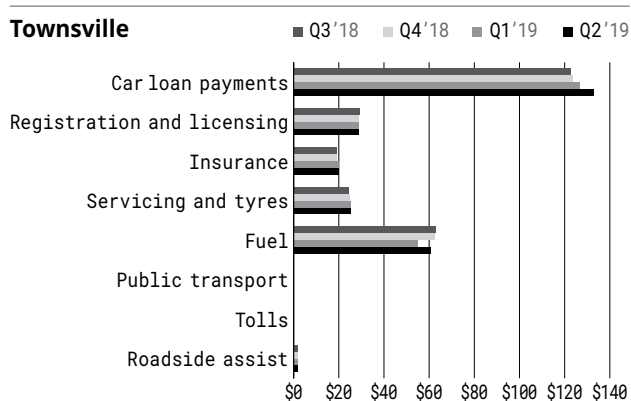
Townsville remained the second-least expensive region, and the second-most affordable when costs are considered as a percentage of average income (11.6 per cent compared to 11.1 per cent the previous quarter).

The transport costs increase was largely due to rises in car loan payments and fuel prices. Car loan payments increased in line with Brisbane, while fuel expenditure increased by \$5.82 per week or about \$303 per annum.

Compared to other regions, Townsville remained relatively inexpensive for registration, CTP and licensing; servicing and tyres; fuel; and roadside assistance. The Townsville household incurs no costs for tolls and public transport due to low levels of usage.



Brisbane	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$122.85	\$123.49	\$126.67	1
Reg. and licensing	\$29.34	\$29.11	\$28.92	5
Insurance	\$23.38	\$23.38	\$23.51	7
Servicing and tyres	\$24.20	\$24.36	\$25.04	6
Fuel	\$76.12	\$73.88	\$67.73	2
Public transport	\$54.45	\$54.45	\$55.44	3
Tolls	\$51.10	\$51.10	\$51.10	4
Roadside assist	\$1.87	\$1.87	\$1.87	8
<b>Total</b>	<b>\$383.31</b>	<b>\$381.63</b>	<b>\$380.28</b>	<b>\$394.78</b>



Townsville	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$122.85	\$123.49	\$126.67	1
Reg. and licensing	\$29.34	\$29.11	\$28.92	3
Insurance	\$19.23	\$19.23	\$20.16	5
Servicing and tyres	\$24.67	\$24.83	\$25.52	4
Fuel	\$63.16	\$62.60	\$54.99	2
Public transport	-	-	-	-
Tolls	-	-	-	-
Roadside assist	\$1.87	\$1.87	\$1.87	6
<b>Total</b>	<b>\$261.12</b>	<b>\$261.13</b>	<b>\$258.14</b>	<b>\$269.85</b>



## Section Three

### Western Australia weekly costs of transport

**Perth** In the June quarter, the typical Perth household's weekly transport costs were \$346.11 (annualised at \$17,997)—an increase of \$10.02 a week (\$521 a year) from the previous quarter. Perth is the third-most affordable city when transport costs are considered as a share of average income (14.2 per cent compared to 13.8 per cent the previous quarter).

Car loan payments increased by \$5.87 per week, or \$305 per year. Fuel expenditure increased by \$6.08 per week, or \$316 per year assuming costs remain constant. Perth is now the second-least expensive city for fuel. The costs of registration, CTP and licensing; comprehensive insurance; and servicing and tyres decreased over the quarter. All other costs remained constant.

In total dollar terms, Perth is Australia's fourth-most expensive capital city for transport. Perth remained the least expensive city for comprehensive insurance. But it remained relatively expensive for servicing and tyres and became Australia's most expensive city for public transport.

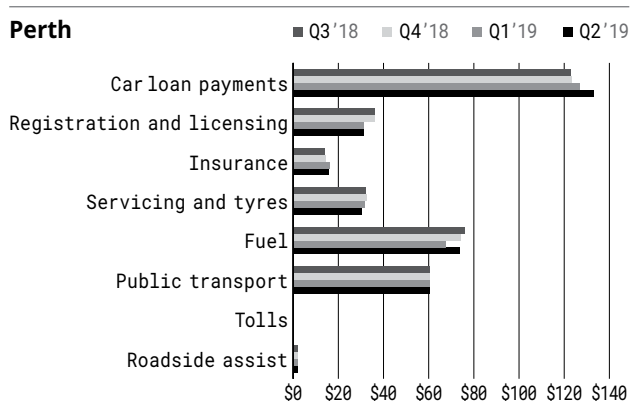
**Bunbury** is benchmark regional centre with the highest transport costs.

In the June quarter, the typical Bunbury household's weekly transport costs were \$303.48 (annualised to \$15,781)—an increase of \$10.67 (or \$555 per annum) from the previous quarter. Transport costs as a share of average income increased from 12.9 per cent to 13.4 per cent, with Bunbury remaining at the fourth least affordable region.

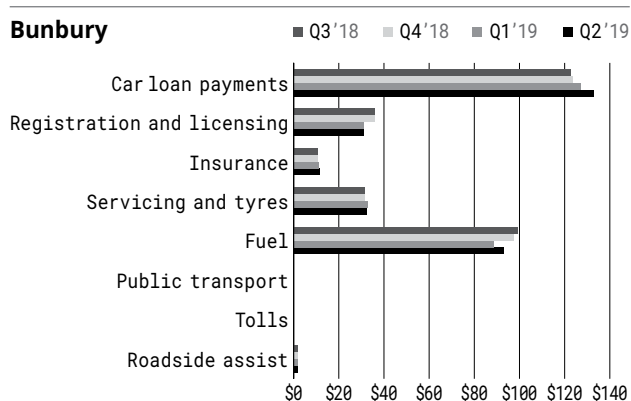
The increase in transport costs was largely driven by higher car loan payments and fuel prices. Car loan payments rose in line with Perth and fuel expenditure increased by \$4.56 per week or \$237 per year.

Comprehensive insurance costs increased slightly. Costs for registration, CTP and licensing and servicing and tyres decreased. All other costs remained constant.

Bunbury remained the most expensive region for registration, CTP and licensing; and fuel. Bunbury has become relatively expensive for car loan payments, but it still has the lowest comprehensive insurance prices.



Perth	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$122.83	\$123.46	\$127.01	\$132.88	1
Reg. and licensing	\$36.06	\$36.06	\$31.15	\$31.07	4
Insurance	\$14.14	\$14.25	\$16.04	\$15.63	6
Servicing and tyres	\$32.30	\$32.49	\$31.86	\$30.42	5
Fuel	\$75.79	\$74.26	\$67.65	\$73.73	2
Public transport	\$60.30	\$60.30	\$60.30	\$60.30	3
Tolls	-	-	-	-	-
Roadside assist	\$2.08	\$2.08	\$2.08	\$2.08	7
<b>Total</b>	<b>\$343.50</b>	<b>\$342.90</b>	<b>\$336.09</b>	<b>\$346.11</b>	



Bunbury	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$122.83	\$123.46	\$127.01	\$132.88	1
Reg. and licensing	\$36.06	\$36.06	\$31.15	\$31.07	4
Insurance	\$10.61	\$10.68	\$11.33	\$11.80	5
Servicing and tyres	\$31.44	\$31.62	\$32.69	\$32.55	3
Fuel	\$99.19	\$97.42	\$88.55	\$93.10	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.08	\$2.08	\$2.08	\$2.08	6
<b>Total</b>	<b>\$302.21</b>	<b>\$301.32</b>	<b>\$292.81</b>	<b>\$303.48</b>	

## Section Three

### South Australia weekly costs of transport

**Adelaide** Weekly household transport costs of \$328.72 (annualised at \$17,093) made Adelaide the third-least expensive city for total transport costs, and the fourth-most affordable city when costs are considered as a percentage of average income at 14.4 per cent (compared to 13.9 per cent in the March 2019 quarter).

Transport costs increased by \$11.32 a week (annualised at \$589), mainly because car loan payments and fuel expenditure became more expensive. Weekly car loan payments increased by \$5.87 (\$306 per year) because of higher up-front purchasing costs. Weekly fuel expenditure rose by about \$7.07 (\$367 per year), assuming costs remain constant.

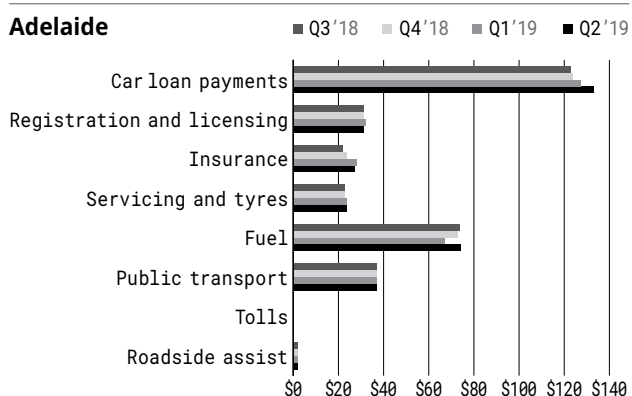
Costs for registration, CTP and licensing and comprehensive insurance all decreased marginally. Costs for servicing and tyres increased marginally. All other costs remained unchanged over the quarter.

Adelaide remained the least expensive capital city for servicing and tyres.

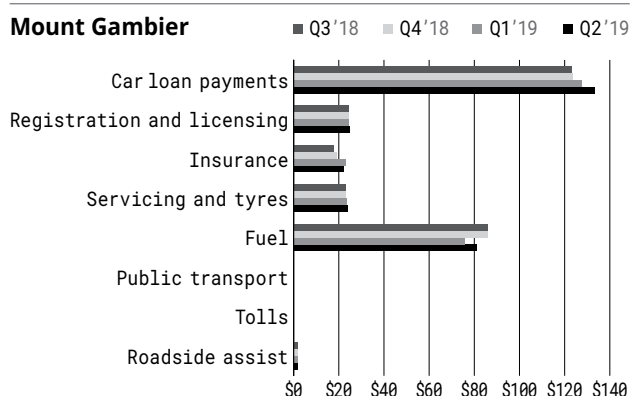
**Mount Gambier** In the June quarter, the typical Mount Gambier household spent \$287.25 a week on transport (or \$14,937 per year if all costs remained constant)—an increase of \$10.54 a week from the previous quarter. Mount Gambier is ranked fourth out of seven regions for total transport costs, but costs as a percentage of income meant it remained the third-least affordable region (14.1 per cent of income compared to 13.6 per cent the previous quarter).

Mt Gambier's weekly fuel expenditure increased by \$5.15 (\$268 per year). Car loan payments increased in line with Adelaide. There was also a marginal increase in servicing and tyre costs. Registration, CTP and licensing and comprehensive insurance costs fell slightly. All other costs remained constant.

Mount Gambier has relatively low costs for most categories compared to other benchmark regional centres, but it became the second-most expensive region for car loan payments and remained the second-most expensive for comprehensive insurance.



Adelaide	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$123.04	\$123.68	\$127.44	1
Reg. and licensing	\$31.09	\$31.09	\$32.09	4
Insurance	\$22.10	\$23.75	\$28.15	5
Servicing and tyres	\$22.92	\$22.97	\$23.64	6
Fuel	\$73.63	\$72.71	\$67.13	2
Public transport	\$37.00	\$37.00	\$37.00	3
Tolls	-	-	-	-
Roadside assist	\$1.94	\$1.94	\$1.94	7
<b>Total</b>	<b>\$311.71</b>	<b>\$313.13</b>	<b>\$317.40</b>	<b>\$328.72</b>



Mount Gambier	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$123.04	\$123.68	\$127.44	1
Reg. and licensing	\$24.67	\$24.67	\$24.67	3
Insurance	\$17.85	\$19.29	\$23.12	5
Servicing and tyres	\$23.01	\$23.06	\$23.74	4
Fuel	\$86.11	\$86.12	\$75.80	2
Public transport	-	-	-	-
Tolls	-	-	-	-
Roadside assist	\$1.94	\$1.94	\$1.94	6
<b>Total</b>	<b>\$276.62</b>	<b>\$278.76</b>	<b>\$276.71</b>	<b>\$287.25</b>

## Section Three

### Tasmania weekly costs of transport

**Hobart** In the June quarter, the typical Hobart household spent \$312.01 per week on transport, a rise of \$6.81 from the previous quarter. If costs remained constant over the year, this would equate to \$16,225 a year, a rise of \$354 from the previous quarter.

Hobart has Australia's lowest capital city transport costs, but in terms of local purchasing power it is the city with the least affordable transport costs. Because Hobart has the lowest average earnings of any capital city, it has the least affordable transport costs of any capital city when costs are measured as a percentage of average income (16.9 per cent compared to 16.5 per cent the previous quarter).

The June quarter increase in transport costs was mainly due to rising car loan payments and fuel expenditure. Car loan payments in Hobart increased by \$3.27 per week or about \$170 per year. The household's fuel expenditure rose by \$3.84 per week, or \$199 per year assuming costs remain constant. Comprehensive insurance and servicing and tyre costs decreased marginally. All other costs remained constant over the quarter.

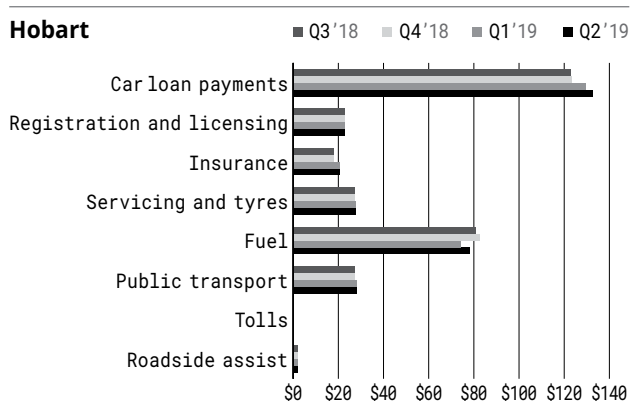
Hobart remained the most expensive city for fuel prices, but remained the cheapest for registration, CTP and licensing fees.

**Launceston** In the June quarter, the typical Launceston household spent \$286.12 per week on transport, a rise of \$8.11 from the previous quarter. Its annualised transport costs were equivalent to \$14,878 — up \$422 from the previous quarter.

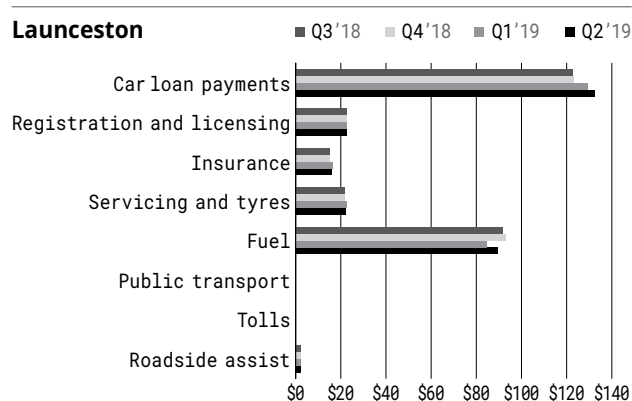
Launceston has the lowest average earnings among all the capital cities and regional centres analysed by the Index. It is the least affordable regional city for transport when costs are considered as a percentage of average income (17.1 per cent compared to 16.6 per cent the previous quarter).

Launceston's fuel expenditure rose in the June quarter, by about \$5.08 per week or \$264 per year. Car loan payments increased in line with Hobart costs, while comprehensive insurance and servicing and tyre costs decreased marginally. All other costs remained constant.

Launceston remained the region with the lowest costs for registration, CTP and licensing; and servicing and tyres. But it remained relatively expensive for fuel.



Hobart	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$122.72	\$123.35	\$129.43	\$132.70 1
Reg. and licensing	\$22.90	\$22.90	\$22.90	\$22.90 5
Insurance	\$17.75	\$17.75	\$20.62	\$20.45 6
Servicing and tyres	\$27.02	\$27.08	\$27.82	\$27.70 4
Fuel	\$80.75	\$82.39	\$74.27	\$78.11 2
Public transport	\$27.20	\$27.20	\$28.00	\$28.00 3
Tolls	-	-	-	- -
Roadside assist	\$2.15	\$2.15	\$2.15	\$2.15 7
<b>Total</b>	<b>\$300.50</b>	<b>\$302.83</b>	<b>\$305.20</b>	<b>\$312.01</b>



Launceston	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$122.72	\$123.35	\$129.43	\$132.70 1
Reg. and licensing	\$22.90	\$22.90	\$22.90	\$22.90 3
Insurance	\$15.05	\$15.05	\$16.32	\$16.23 5
Servicing and tyres	\$21.83	\$21.88	\$22.58	\$22.43 4
Fuel	\$91.81	\$93.08	\$84.63	\$89.70 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$2.15	\$2.15	\$2.15	\$2.15 6
<b>Total</b>	<b>\$276.48</b>	<b>\$278.42</b>	<b>\$278.01</b>	<b>\$286.12</b>

## Section Three

### Northern Territory weekly costs of transport

**Darwin** In the June quarter, the typical Darwin household spent \$314 per week on transport, a rise of \$7 from the previous quarter. If costs remained constant over the year, this would equate to \$16,338 a year.

This is a rise of \$364 from the previous quarter, but the benchmark Darwin household still has the second-lowest capital city transport costs. When transport costs are measured as a proportion of income – 13.7 per cent (compared to 13.4 per cent the previous quarter) – Darwin is the second-most affordable capital city.

The household's transport costs increased by \$364 over the quarter mainly due to rises in car loan payments and fuel expenditure.

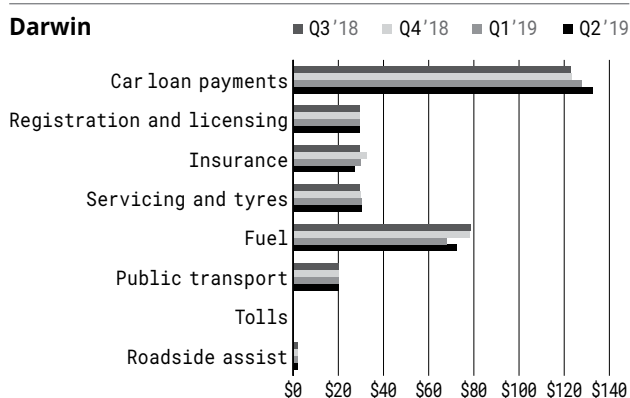
Car loan payments increased by \$264 due to higher up-front purchasing costs for the top ten selling vehicles in 2018. The household's fuel expenditure rose by \$232 per year. Comprehensive insurance decreased by \$2.36 or \$123 per year. All other costs remained constant, except servicing and tyres, which fell slightly.

Darwin remained the city with the lowest public transport costs.

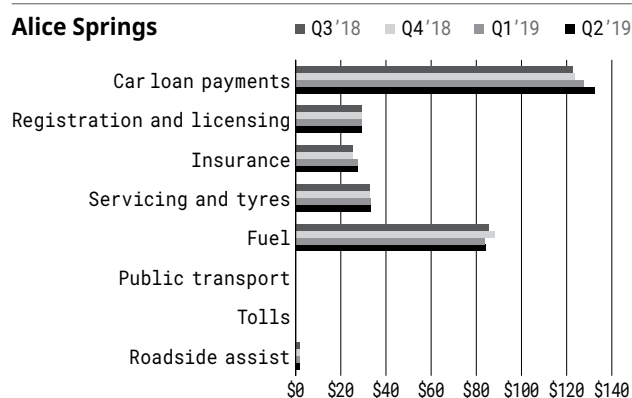
**Alice Springs** In the June quarter, Alice Springs remained the region with the highest transport costs. Its benchmark household spent \$309 per week on transport, a rise of more than \$5 a week from the previous quarter. This was mainly because of rising car loan payments. Annualised, these costs equate to about \$16,077 a year, a rise of more than \$263 from the previous quarter.

Alice Springs remained the second-least affordable region when costs are considered as a percentage of average income (14.3 per cent compared to 14.1 per cent the previous quarter). Alice Springs is one of only two regional centres (along with Launceston) where transport costs are less affordable than its city counterpart.

The typical Alice Springs household spends more on fuel than its Darwin counterpart. This is because of greater distances travelled and higher fuel prices. The household's fuel expenditure increased by about 43 cents per week or \$22 per year, assuming costs remain constant. Comprehensive insurance and servicing and tyres costs fell slightly. All other costs remained constant over the quarter.



Darwin	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$122.84	\$123.48	\$127.62	\$132.69 1
Reg. and licensing	\$29.42	\$29.42	\$29.42	\$29.42 4
Insurance	\$29.57	\$32.37	\$29.80	\$27.44 5
Servicing and tyres	\$29.59	\$29.73	\$30.34	\$30.15 3
Fuel	\$78.57	\$78.04	\$68.12	\$72.60 2
Public transport	\$20.00	\$20.00	\$20.00	\$20.00 6
Tolls	-	-	-	- -
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90 7
<b>Total</b>	<b>\$311.90</b>	<b>\$314.94</b>	<b>\$307.20</b>	<b>\$314.19</b>



Alice Springs	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$122.84	\$123.48	\$127.62	\$132.69 1
Reg. and licensing	\$29.42	\$29.42	\$29.42	\$29.42 4
Insurance	\$25.48	\$25.16	\$27.70	\$27.44 5
Servicing and tyres	\$32.71	\$32.86	\$33.47	\$33.29 3
Fuel	\$85.43	\$88.02	\$84.00	\$84.43 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90 6
<b>Total</b>	<b>\$297.78</b>	<b>\$300.84</b>	<b>\$304.10</b>	<b>\$309.17</b>

## Section Three

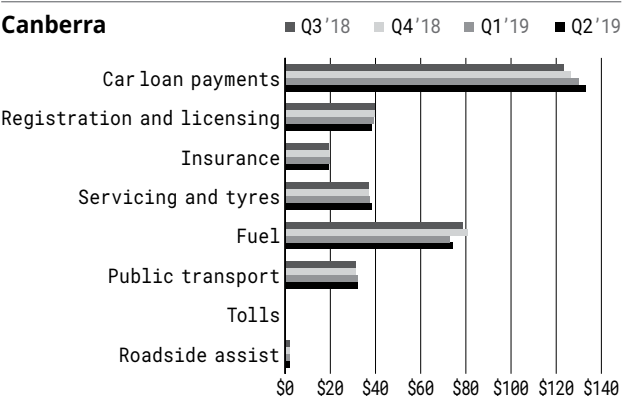
### ACT weekly costs of transport

**Canberra** In the June quarter, the typical Canberra household had the fifth-highest capital city transport costs at about \$338 a week (or \$17,568 per annum). Its weekly costs increased by almost \$5 over the quarter.

But because of Canberra's high median incomes, the typical Canberra household's transport costs are only 12.3 per cent of household income (compared to 12.1 per cent the previous quarter), making it the most affordable city.

The increase in Canberra's transport costs was largely driven by rising fuel prices and car loan payments. The household's fuel expenditure rose by \$1.41 per week, or \$73 per year, assuming costs remain constant. Car loan payments increased considerably, by \$178 per year due to higher upfront purchasing costs. Servicing and tyre costs also increased marginally over the quarter. Only registration, CTP and licensing and comprehensive insurance decreased over the quarter. All other costs remained unchanged.

Canberra remained the most expensive city for registration, CTP and licensing costs; and servicing and tyres. Canberra also remained relatively expensive for car loan payments.



Canberra	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$123.33	\$126.30	\$129.83	\$133.26 1
Reg. and licensing	\$39.84	\$39.84	\$39.01	\$38.49 3
Insurance	\$19.37	\$19.32	\$19.67	\$19.24 6
Servicing and tyres	\$37.01	\$37.01	\$37.57	\$38.27 4
Fuel	\$78.56	\$80.81	\$72.86	\$74.28 2
Public transport	\$31.40	\$31.40	\$32.20	\$32.20 5
Tolls	-	-	-	- -
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12 7
Total	\$331.63	\$336.79	\$333.25	\$337.85





## Section Four

# Overview

The Australian Automobile Association (AAA) commissioned SGS Economics and Planning (SGS) to design and develop the Transport Affordability Index. Initially the Index analysed only the capital cities across Australia, but since the June 2017 quarter, the Index includes a regional household in every state and the Northern Territory.

The Index provides a snapshot of the costs of transport for typical households in Australia and is regularly updated to show how transport costs change relative to incomes. The baseline is quarter one (January to March) 2016 for the city households and quarter two (April to June 2017) for the regional households.

The characteristics of the household reflect the most common or average characteristics of the population. In some cases, household characteristics have been chosen to ensure some typical transport costs are well illustrated, while still being representative. The hypothetical households in different regions are largely identical to allow for ready comparison.

The Index considers a full range of costs families face when they own a car, as well as public transport costs. These fall into two broad categories: upfront costs and ongoing costs. Upfront costs include purchase costs for a new vehicle such as interest payments, registration, stamp duty, compulsory third party (CTP) insurance, driver's licences, comprehensive car insurance and roadside assistance. Ongoing costs (fuel costs, tolls and car maintenance) increase the more the vehicle is driven. Public transport costs for a city household's typical commute to work are also measured, as these form a growing share of weekly expenses.

While the AAA recognises that vehicle depreciation represents a significant, often hidden, cost to families, this cost has not been included in the Index.

The Index seeks to account for the actual weekly transport cash flow for an average Australian household, covering costs that must be factored into the weekly family budget; depreciation is not usually accounted for in this way. Similarly, parking costs have not been included in the Index because consistent data is not available.

The Index seeks to compare the affordability of household transport costs across Australia by comparing them with an estimate of the hypothetical household's median weekly income. Total household transport costs in each city are compared with the average income of a typical family in that city, to illustrate the proportion of income spent on transport-related costs.

As the Index is updated over time, a clearer picture will emerge on which household transport costs are putting pressure on Australian household budgets, and whether this differs across the country's capital cities and regional centres.

The Index will allow the AAA to assess the impact of proposed government policies on the average weekly budget. Families will also be better informed about how their decisions about transport affect their overall household budgets.

## Section Four

### The hypothetical household

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The hypothetical household is a couple with children, the most common type of household in Australia according to the 2016 census. The couple consists of a 38-year-old woman and a 36-year-old man, which are the average ages for men and women in Australia. They live in a detached house and have two cars. Both are employed.

#### City household

In each city, the hypothetical household is assumed to live in middle to outer ring suburbs with relatively high population density, good access to public transport, and in the case of the Sydney, Melbourne and Brisbane households, the family uses toll roads to access the CBD.

A typical Australian passenger vehicle is driven 13,800 kilometres per year and is 9.8 years old. Correspondingly, for the city household, the model assumes that the household's two motor vehicles are driven 15,000 and 10,000 kilometres per year. The car that drives 10,000 kilometres per year is assumed to be 10 years old and owned outright. The car that drives 15,000 kilometres per year is assumed to be a near-new vehicle and financed with a car loan. In addition, one member of the household is assumed to travel by public transport into the CBD and home again, five days per week.

#### Regional household

There are key differences between metropolitan and regional households transport costs. The Index assumes that the regional household:

- on average, travels further than the city household
- pays more for petrol than the city household in some locations
- on average, earns less than their city counterparts
- pays less for registration and insurance due to lower premiums
- doesn't pay tolls
- doesn't have public transport as there is little or no availability in regional areas.

The regional locations chosen for analyses were selected as they have populations of over 10,000 people, have relatively dense population (at the SA2 ABS level), have ages similar to the average ages in the hypothetical city household, have a reasonable proportion of detached housing and have a substantial proportion of couple family households with children. Because of the ACT's small size and a lack of discernible differences in costs between suburbs, a second location for that jurisdiction has not been included.

The regional locations included for comparison include:

- Wagga Wagga
- Geelong
- Townsville
- Bunbury
- Mount Gambier
- Launceston
- Alice Springs

The underlying assumptions for the regional household are largely the same as for the city household, but vehicle use and household income have been adjusted. The Index also assumes that regional households do not use public transport because services are very limited in those areas. As there are no toll roads in any of the regional locations, this cost has also been excluded.

The method of calculating the car usage for each regional location has been based on BITRE 2015 data that analysed the average commuting distance for each centre based on size and location. These estimated commuting distances were divided by the average commuting distance of the capital city in that jurisdiction. This ratio was then multiplied by the car use distance of the master household to estimate the hypothetical household's car use in regional cities.

Using the BITRE assumptions, all regional households travelled further than their city counterparts, except in Townsville and Wagga Wagga. In these locations, the cities are smaller than the capital city and too far for people to commute to the capital for work or leisure. Households in Townsville and Wagga Wagga may also drive less during the week to get to work, run errands and access social activities. By comparison, people in Geelong travel more because they are close enough to Melbourne to commute regularly for work or leisure, so total distances travelled are greater. The regional city is selected to be compared to its city counterpart rather than compared to other regional centres given that distances travelled vary.

The incomes used for the regional locations have been calculated as a proportion of the average income for the figures used for the capital cities, using data from the 2016 Census. For example, the household income of a couple family with children in Wagga Wagga was 91.25% of that of the average Sydney income for a couple family with children. The Index has therefore calculated the income for Wagga Wagga as 91.25% of the city household's income. Using this method, all regional households reported lower weekly earnings than their city counterparts.

*Further information on the methodology and assumptions used to generate the AAA's Transport Affordability Index can be found in SGS Economics' final report on the AAA's website.<sup>4</sup>*

# Endnotes

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- 1 The Index has been corrected to consider the “Fair go for safe drivers” scheme in NSW, which provides a 50% discount on license fees for drivers with safe driving records, as well as the “Good driving discount” in the AC,T which provides a 30% discount on license fees for drivers with safe driving records. Safe driving records refers to no demerit point offences, major offences or unlicensed driving offences in the last five years.
  - 2 Australian Bureau of Statistics. 2017. Table 13.9A HOUSEHOLD EXPENDITURE, Detailed expenditure items, All households—Estimates. 65300DO013\_201516 Household Expenditure Survey, Australia: Summary of Results, 2015–16. Accessed 14 August, 2019. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6530.02015-16?OpenDocument>
  - 3 Australian Bureau of Statistics. 2019. TABLE 9. CPI: Group, Sub-group and Expenditure Class, Index Numbers by Capital City. 6401.0 - Consumer Price Index, Australia, Dec 2018. Accessed 14 August, 2019. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6401.0Dec%202018?OpenDocument>
  - 4 SGS Economics and Planning 2016, *Transport Affordability Index Final Report*, August 2016. Accessed 1 February 2019, <[www.aaa.asn.au/wp-content/uploads/2016/08/sgs-report-aaa-transport-affordability-index.pdf](http://www.aaa.asn.au/wp-content/uploads/2016/08/sgs-report-aaa-transport-affordability-index.pdf)>.

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